

# HOUSE . . . . . No. 4467

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, March 4, 2020.

The committee on Revenue, to whom were referred the petition (accompanied by bill, Senate, No. 1761) of Michael J. Rodrigues, Paul A. Schmid, III, Susan Williams Gifford, Carole A. Fiola and other members of the General Court for legislation to establish a cranberry bog renovation tax credit, and the petition (accompanied by bill, House, No. 2647) of William M. Straus and others relative to cranberry bog renovation tax credits, reports recommending that the accompanying bill (House, No. 4467) ought to pass.

For the committee,

MARK J. CUSACK.

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## The Commonwealth of Massachusetts

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In the One Hundred and Ninety-First General Court  
(2019-2020)  
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An Act relative to a cranberry bog renovation tax credit.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Section 6 of Chapter 62 of the General Laws, as appearing in the 2018  
2   Official Edition, is hereby amended by adding at the end thereof the following subsection:-

3           (w) (1) As used in this subsection, the following words shall have the following meanings  
4   unless the context clearly requires otherwise:-

5           “Commissioner”, the commissioner of revenue

6           “Cranberry bog” or “bog”, an area actively cultivated for the harvesting or production of  
7   any variety of cranberry.

8           "Qualified renovation", any renovation, repair, replacement, re-grading or restoration of a  
9   cranberry bog for the purpose of cultivating, harvesting or producing any variety of cranberry, or  
10   otherwise any other activity or action associated with the renovation of an abandoned cranberry  
11   bog. The term “qualified renovation” shall not include the construction of facilities or structures  
12   for the purpose of processing cranberries.

“Qualified renovation expenditure”, any expenditure or cost directly incurred in connection with the qualified renovation of a cranberry bog. The term “qualified renovation expenditure” shall not include costs incurred in acquiring or purchasing property, in relation to the construction of structures for the purpose of cultivating, harvesting or producing cranberries.

“Secretary”, the secretary of energy and environmental affairs

"Taxpayer", a taxpayer subject to the taxation under this chapter.

(2)(i) A taxpayer primarily engaged in cranberry production shall be allowed a credit against the taxes imposed by this chapter equal to 25 per cent of the total qualified renovation expenditures incurred in connection with the qualified renovation of a cranberry bog during the taxable year; provided, however, the amount of the credit that may be claimed by a taxpayer under this section shall not exceed \$100,000.

(ii) The credit under this subsection shall be taken against the taxes imposed under this chapter and shall be refundable. The commissioner shall apply the credit against the liability of the taxpayer as determined on its return, as first reduced by any other available credits, and shall then refund to the taxpayer the balance of the credits. If the amount of the credit allowed under this subsection exceeds the taxpayer's tax liability, the commissioner shall treat the excess as an overpayment and shall pay the taxpayer the entire amount of the excess. Any amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the taxpayer to any of the 5 subsequent taxable years.

(iii) The secretary, in consultation with the commissioner of agricultural resources, shall authorize annually, for the period beginning January 1, 2020 and ending December 31, 2024, tax credits under this subsection together with section 38II of chapter 63, an amount not to exceed

\$2,000,000 per taxable year. No credits shall be allowed under this subsection except to the extent authorized in this paragraph.

(3) For a taxpayer to qualify for the credit provided for under this subsection, the taxpayer shall file with the secretary a summary of qualified renovation expenditures in connection with the qualified renovation. The secretary shall approve the summary of qualified renovation expenditures and provide notice to the commissioner. Any qualified renovation expenditures applicable to this credit shall be treated for purposes of this subsection as made on the date that the secretary provides notice of the certification to the commissioner.

(4) Any portion of tax credits not awarded by the secretary in a calendar year shall not be applied to awards in a subsequent year. The secretary shall provide any documentation that the commissioner may deem necessary to confirm compliance with subparagraph (iii) of paragraph (2) and the commissioner shall provide a report confirming compliance to the secretary of administration and finance.

(5) The secretary shall annually, not later than September 1, file a report with the house and senate committees on ways and means, the joint committee on environment, natural resources and agriculture and the joint committee on revenue identifying the total amount of tax credits claimed and the total amount of tax credits refunded pursuant to this subsection in the preceding fiscal year.

(6) The secretary, in consultation with the commissioner of agricultural resources and revenue, shall promulgate regulations or other guidelines necessary for the administration and implementation of this subsection.

SECTION 2. Chapter 63 of the General Laws, as appearing in the 2018 Official Edition,  
is hereby amended by inserting after section 38HH the following section:-

Section 38II. (a) As used in this section, the following words shall have the following  
meanings unless the context clearly requires otherwise:

“Commissioner”, the commissioner of revenue

“Cranberry bog” or “bog”, an area actively cultivated for the harvesting or production of  
any variety of cranberry.

"Qualified renovation", any renovation, repair, replacement, re-grading or restoration of a  
cranberry bog for the purpose of cultivating, harvesting or producing any variety of cranberry, or  
otherwise any other activity or action associated with the renovation of an abandoned cranberry  
bog. The term “qualified renovation” shall not include the construction of facilities or structures  
for the purpose of processing cranberries.

“Qualified renovation expenditure”, any expenditure or cost directly incurred in  
connection with the qualified renovation of a cranberry bog. The term “qualified renovation  
expenditure” shall not include costs incurred in acquiring or purchasing property in relation to  
the construction of structures for the purpose of cultivating, harvesting or producing cranberries.

“Secretary”, the secretary of energy and environmental affairs

"Taxpayer", a taxpayer subject to the taxation under this chapter.

(b)(1) A taxpayer primarily engaged in cranberry production shall be allowed a credit  
against the taxes imposed by this chapter equal to 25 per cent of the total qualified renovation  
expenditures incurred in connection with the qualified renovation of a cranberry bog during the

taxable year; provided, however, the amount of the credit that may be claimed by a taxpayer under this section shall not exceed \$100,000.

(2) The credit under this section shall be taken against the taxes imposed under this chapter and shall be refundable. The commissioner shall apply the credit against the liability of the taxpayer as determined on its return, as first reduced by any other available credits, and shall then refund to the taxpayer the balance of the credits. If the amount of the credit allowed under this section exceeds the taxpayer's tax liability, the commissioner shall treat the excess as an overpayment and shall pay the taxpayer the entire amount of the excess. Any amount of the tax credit that exceeds the tax due for a taxable year may be carried forward by the taxpayer to any of the 5 subsequent taxable years.

(3) The secretary, in consultation with the commissioner of agricultural resources, shall authorize annually, for the period beginning January 1, 2020 and ending December 31, 2024, tax credits under this subsection together with subsection w of section 6 of chapter 62, an amount not to exceed \$2,000,000 per taxable year. No credits shall be allowed under this subsection except to the extent authorized in this subsection.

(c) For a taxpayer to qualify for the credit provided for under this section, the taxpayer shall file with the secretary a summary of qualified renovation expenditures in connection with the qualified renovation. The secretary shall approve the summary of qualified renovation expenditures and provide notice to the commissioner. Any qualified renovation expenditures applicable to this credit shall be treated for purposes of this section as made on the date that the secretary provides notice of the certification to the commissioner.

98           (d) Any portion of tax credits not awarded by the secretary in a calendar year shall not be  
99     applied to awards in a subsequent year. The secretary shall provide any documentation that the  
100    commissioner may deem necessary to confirm compliance with paragraph (3) of subsection (b)  
101    and the commissioner shall provide a report confirming compliance to the secretary of  
102    administration and finance.

103           (e) The secretary shall annually, not later than September 1, file a report with the house  
104    and senate committees on ways and means, the joint committee on environment, natural  
105    resources and agriculture and the joint committee on revenue identifying the total amount of tax  
106    credits claimed and the total amount of tax credits refunded pursuant to this section in the  
107    preceding fiscal year.

108           (f) The secretary, in consultation with the commissioner of agricultural resources and  
109    revenue, shall promulgate regulations or other guidelines necessary for the administration and  
110    implementation of this section.